
EXHIBIT F47

MANAGEMENT AGREEMENT, DATED JULY 1, 1974,
BY AND AMONG DELCORA AND MUCKINIPATES AUTHORITY

EXECUTED IN 5 COUNTERPARTS
COUNTERPART NO. 1

AGREEMENT

BETWEEN

DELAWARE COUNTY REGIONAL
WATER QUALITY CONTROL AUTHORITY

AND

MUCKINIPATES AUTHORITY

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is entered into as of the First Day of July, 1974, between DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY ("DELCORA"), a Municipality Authority organized by the County of Delaware (the "County") under the provisions of the Municipality Authorities Act of 1945 of Pennsylvania, as supplemented and amended (the "Act"), and MUCKINIPATES AUTHORITY ("MA"), a Municipality Authority organized under such Act by certain municipalities in said County.

RECITALS:

A. MA owns, operates and maintains a Wastewater Treatment plant (The "MA Treatment Plant" as hereinafter defined) serving the Boroughs of Clifton Heights, Folcroft, Glenolden and Norwood, and the Townships of Darby, Springfield, Ridley and Upper Darby (the "Member Municipalities") under various agreements (the "MA Service Agreements" as hereinafter defined). MA's interest in the revenues from the MA Treatment Plant has been assigned to the Girard Trust Bank, as Trustee (the "Trustee") under the Muckinipates Authority Trust Indenture dated September 1, 1952 (the "1952 Trust Indenture").

B. DELCORA intends to construct, operate and maintain a system of pump stations and force mains (the "Eastern Delaware County Conveyance System" as hereinafter defined) to convey sewage and industrial wastes from the Eastern Delaware County service area (as hereinafter defined), including the MA service area, to the City of Philadelphia's Southwest Water Pollution Control Plant (the "City Plant") for treatment therein.

C. DELCORA and MA have entered into a Service Agreement dated as of December 1, 1973 (the "DELCORA-MA SERVICE AGREEMENT") providing, inter alia, that until the completion of the Eastern Delaware County Conveyance System and the expansion of the City Plant adequate to accommodate all sewage emanating from the MA Member areas, MA will continue to operate, maintain and repair its existing Treatment Plant, so that it will be at all times in efficient operating condition and in compliance with the standards prescribed by all appropriate regulatory agencies. Such agreement provides further that, upon such completion, MA will use its best efforts to obtain regulatory approvals to terminate operation of the MA Treatment Plant. It is the contemplation of the parties by said agreement that ultimately, when adequate treatment capacity is available at the City Plant and the long term obligations of MA have been paid in full, the MA Treatment Plant will cease operation and thereafter all sewage and industrial waste emanating from the MA Members will be conveyed by DELCORA through the Eastern Delaware County Bypass System for treatment at the City Plant.

D. Article VIII of the DELCORA-MA Service Agreement provides that MA shall have the option to have DELCORA manage, operate and maintain the MA Treatment Plant until the MA Treatment Plant is phased out or until MA requests the termination of such services, whichever first occurs.

E. MA has determined that it would be advisable and in the best interests of its Member Municipalities to have the MA Treatment Plant managed by DELCORA, and DELCORA is willing to perform such services upon the terms hereinafter set forth.

F. Entry of this Agreement has been duly authorized by a resolution duly enacted by MA and by a resolution duly adopted by DELCORA.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Services of Manager

1.01 MA hereby appoints DELCORA as General Manager of the MA Treatment Plant, and DELCORA accepts such employment, upon the provisions hereof.

1.02 Subject to the general supervision and control of MA, in the exercise of its public duties under the law, DELCORA will perform the following services with respect to the MA Treatment Plant:

- (a) supervision of all phases of operation, maintenance and repair;
- (b) designating from time to time the types and classes of personnel required for the proper operation, maintenance and repair of the facilities, establishing job specifications designating the duties and qualifications for each position and fixing and establishing rates of compensation;
- (c) employing, from time to time, competent, qualified persons to fill the positions specified by DELCORA and approved by MA for operation, maintenance and repair of the Treatment Plant;
- (d) purchasing of all requisite materials, supplies and services necessary for the proper operation, maintenance and repair of the MA Treatment Plant except for insurance insuring the MA Treatment Plant against loss from fire, extended coverage, physical damage and for liability, which shall remain the responsibility of MA;
- (e) entering into contracts for work and services required for maintenance

- and repairs to the MA Treatment Plant;
- (f) retaining of professional advisors, including consulting engineers, counsel and auditors;
 - (g) keeping of all records and accounts and furnishing monthly to MA operating statements showing in reasonable detail all revenues and expenses;
 - (h) preparation and submission to MA for its consideration and approval of a budget for the operation, maintenance and repair of the MA Treatment Plant to be filed with the MA promptly after the execution of this agreement, and preparation and submission of similar budgets on an annual basis during each renewal term hereof, provided that supplemental budgets may be filed from time to time for the remainder of any current year;
 - (i) preparation and transmission, in the name of MA, of all bills for sewer rents and service charges and the collection of delinquent accounts on behalf and in the name of MA. All amounts collected, less reasonable amounts for the cost of collection, shall be deposited in the accounts of MA under the 1952 Trust Indenture and the MA Service Agreements.
 - (j) perform such other services in connection with the MA Treatment Plant as MA may from time to time reasonably request, subject to the provisions hereof.

II. Agreements of MA

2.01 MA agrees to accept the recommendations of DELCORA from time to time on

the following matters in connection with the MA Treatment Plant and MA Interceptor Sewer System, unless by a majority vote of its Board MA shall adopt a resolution determining not to accept such recommendations and setting forth the reasons for such action;

- (a) the general operation, maintenance and repair of the MA Treatment Plant including but not limited to DELCORA's recommendations of the types, classification, duties and compensation of personnel and the purchasing of materials, supplies and services required for such operation, maintenance and repair;
- (b) making of replacements and ordinary improvements to the MA Treatment Plant to the extent that they can be made without additional financing;
- (c) the awarding of contracts by DELCORA for work or services required for maintenance, repairs, replacements or ordinary improvements to the MA Treatment Plant.

2.02 MA agrees that it will not make any extensions of or improvements to the MA Treatment Plant without the approval of DELCORA, which approval shall not be unreasonably withheld.

2.03 Since DELCORA is acting solely as agent for MA, all costs incurred by DELCORA in performing its obligations hereunder ultimately will be the sole liability of MA. MA agrees to indemnify and hold harmless DELCORA in connection with such costs and also in connection with all damages, loss or liability incurred by DELCORA in connection with its duties hereunder, except those resulting from DELCORA's willful misconduct or gross negligence.

2.04 MA will continue to operate, maintain and repair its system of Interceptors at its own expense, pending the execution of subsequent agreement.

2.05 MA will continue to employ the services of its Secretary who will be responsible to maintain the minutes and general correspondence of MA with the assistance, where necessary, of DELCORA personnel.

III. Fiscal Arrangements

3.01 The proposed annual Budget required pursuant to Section 1.02 (h) above shall be submitted by DELCORA to MA in sufficient detail and with suitable supporting data by July 1, of each year. MA shall have until September 1, of each year to approve the budget as submitted or to reject the budget as submitted. If the budget is rejected, MA shall state in sufficient detail the items deemed unacceptable and the reasons therefor. The parties shall then endeavor to resolve any disputed items and complete a budget acceptable to both parties by October 1, of each year. In any event, if a budget has not been approved by MA by October 1, of any year, this Agreement shall automatically terminate without notice by either party at the expiration of the then current term thereof. Supplemental Budgets submitted by DELCORA shall be approved or rejected by MA in the same manner within thirty (30) days of receipt thereof by MA. The failure of MA to approve a Supplemental Budget shall relieve DELCORA from any liability for its failure to perform any service or do anything for which an additional expenditure was recommended in the proposed Supplemental Budget.

3.02 Upon the execution of this agreement, MA shall pay to DELCORA the sum of \$ 14,000.00 representing one-twelfth (1/12) of MA's operating budget for the year 1974 plus one-twelfth (1/12) of MA's share of DELCORA's administrative expenses

as hereinafter defined. Said sum shall be deposited by DELCORA in its Operating Account in a bank selected by DELCORA and applied from time to time in payment of the obligations incurred by DELCORA in the performance of its duties under this Agreement solely upon the signatures of such of its officers or agents as DELCORA shall by resolution duly authorize and direct.

3.03 DELCORA shall pay all direct costs of operating, maintaining and repairing the MA Treatment Plant and of performing its obligations under this Agreement together with MA's proportionate share of DELCORA's General Administrative Expenses (as hereinafter defined) to performing its obligations under this Agreement.

3.04 Periodically MA shall reimburse DELCORA for the expenses of operating, maintaining and repairing the Treatment Plant and MA's share of General Administrative Expenses. Such payment shall be made by MA to DELCORA monthly upon receipt by MA of a statement from DELCORA showing the amounts expended by DELCORA during the preceding month of operation, maintenance and repair of the Treatment Plant and of its proportionate share of administrative expenses.

3.05 No payments shall be made by DELCORA for any purpose other than as specified herein, or for particular categories of expenses in excess of the amounts provided therefore in the current budget on file with MA and approved by MA pursuant to Section 1.02 (h) and Section 3.01 above. No expenditure will be made in excess of \$1,500.00 except with the prior approval of MA.

3.06 MA's share of DELCORA's General Administrative Expenses shall be determined on a flow proportional basis in accordance with the provisions of the DELCORA-MA Service Agreement. For the balance of the year 1974 and until new proportions can be

established based upon metered flows as prescribed by said DELCORA-MA Service Agreement, eight percent (8%) shall be used as the factor for determining MA's proportionate share of DELCORA's said General Administrative Expenses.

IV. Use of MA Facilities and Equipment

4.01 DELCORA shall have the unrestricted right, liberty and privilege to use and employ all plant property and equipment owned or leased by MA including, but not limited to office equipment, plant equipment, laboratory equipment, vehicles, tools, parts and supplies in and for the operation, maintenance and repair of the MA Treatment Plant. Current leases for equipment held by MA shall be assigned to DELCORA for the balance of their current terms. Upon such assignment, DELCORA shall assume the obligations for any payments remaining under said leases.

V. Employment of MA Personnel Etc.

5.01 As of July 1, 1974, all supervisory, technical, operation and maintenance personnel employed by MA in connection with the Treatment Plant will become employees of DELCORA and cease to be employees of MA. DELCORA agrees to employ such persons, to the extent necessary in its sole discretion, in the management and administration of its general business and activities, in the operation and maintenance of the MA Treatment Plant or in the operation and maintenance of other facilities owned and operated by DELCORA or which it manages for others under a Management Agreement with the owners thereof. The assignment or reassignment of any person to a particular position or facility and the matter of compensation and other benefits shall be determined by DELCORA at its discretion, subject only to the provision of Section 5.02 hereof.

5.02 On July 1, 1974, MA will assign to DELCORA which hereby agrees to accept;

all right, title, interest in and responsibilities under the Muckinipates Authority Pension Trust as adopted October 27, 1964 (the "Pension Plan") and the Trust Agreement between MA and Girard Trust Bank as Trustee, dated November 1, 1964, (the "Pension Trust Agreement") including all policies of insurance and other funds held by the Trustee. All employees in the Pension Plan, and all plant employees of MA on July 1, 1974, who were eligible to become participants on March 1, 1975, under the terms of the Pension Plan shall continue as participants and be eligible for all benefits under and subject to the terms and conditions of the Pension Plan until it is terminated, supplemented or amended as hereinafter provided. DELCORA agrees not to terminate said Pension Plan or Pension Trust Agreement unless or until:

- (1) DELCORA has adopted and established a new Pension Plan for its employees, including those covered hereby, providing benefits at least equal to those provided by the MA Pension Plan;
- (2) the MA Pension Plan has been amended by DELCORA to cover all of its employees, including those covered hereby under the MA Pension Plan; or
- (3) all the MA Plant employees who are participants on July 1, 1974, or are eligible to become participants on March 1, 1975, have retired and received their benefits as provided under the Pension Plan or their employment by DELCORA is terminated and they have received all benefits payable upon termination under the terms of the Pension Plan. The amount which DELCORA shall be required to contribute each year during the

time it manages the MA facilities as provided herein toward Pension Benefits for all participants who are assigned by DELCORA to the operation and maintenance of the MA Plant and Interceptor Sewer System shall be included in the MA operating costs as provided under this Management Agreement. The amount contributed by DELCORA each said year toward Pension Benefits for participants assigned by DELCORA to management, administration or general supervision of its business and activities shall be considered administrative expenses as defined by the DELCORA-MA Service Agreement. The amount contributed by DELCORA each said year toward Pension Benefits for participants assigned partly to operation and maintenance of MA Treatment Plant as well as other plants managed by DELCORA shall be prorated in an equitable manner among all such facilities in accordance with the proportion of the work performed by such employees at various facilities.

VI. Miscellaneous

6.01 Each party shall provide each other from time to time all information relevant to the proper administration of their responsibilities under this Agreement, or in respect to the interpretation hereof, as and in such form and detail as may be reasonably requested and each shall at all reasonable times and from time to time permit their respective representatives to examine and inspect their respective records and physical facilities relevant to the subject matter of this Agreement.

6.02 DELCORA shall not be liable for any act or omission in connection with the MA Treatment Plant or the performance of its duties hereunder, except for willful

misconduct or gross negligence.

6.03 Notwithstanding any other provisions of this Agreement (except as provided in 6.02 above), neither party shall be responsible in damages to the other for any failure to comply with this Agreement resulting from an Act of God or riot, sabotage, public calamity, flood, strike, breakdown of the MA Treatment Plant, or other event beyond its reasonable control.

6.04 Each party agrees to indemnify and save harmless the other party against all costs, losses or damage on account of any injury to persons or property occurring in the performance of this Agreement due to the negligence of such party or its agent or employees.

6.05 No provisions of this Agreement shall be construed to create any type of joint ownership of any property, any partnership or joint venture, or create any other rights or liabilities except as expressly set forth herein.

6.06 Should any provision hereof for any reason be held illegal or invalid, no other provision of this Agreement shall be affected; and this Agreement shall then be construed and enforced as if such illegal or invalid provision had not been contained herein.

6.07 The headings in this Agreement are solely for convenience and shall have no effect in the legal interpretation of any provision hereof.

6.08 The failure of a party hereto to insist upon strict performance of this Agreement or any of the terms or conditions hereof shall not be construed as a waiver of any of its rights hereunder.

6.09 This Agreement may be executed in any number of counterparts, each of

which shall be regarded for all purposes as an original, but such counterparts shall together constitute but one and the same instrument.

VII. Term of Agreement

7.01 The initial term of this Agreement shall commence on July 1, 1974, and continue until December 31, 1974, and it shall be automatically renewed from year to year thereafter unless it is terminated by notice from either party at least ninety (90) days prior to the expiration prior to the then-current term.

7.02 Notwithstanding the foregoing, this Agreement shall terminate upon thirty (30) days prior written notice by DELCORA following any event of default as defined in the above mentioned Trust Indenture.

7.03 Upon termination hereof, MA will promptly pay all amounts due to DELCORA hereunder, and all other property, facilities and equipment relating to the MA Treatment Plant owned by MA shall be delivered to MA.

VIII. Definitions

8.01 For the purposes of this Agreement the following terms shall have the following meanings:

(a) "MA Service Agreements" shall mean:

- (1) The Agreements between MA and its Member Municipalities dated July 1, 1948.
- (2) The Agreement between MA and its Member Municipalities dated August 5, 1952.

(b) "MA Service Area" shall mean the area served by MA as defined and specified in the MA Service Agreements.

- (c) "Eastern Delaware County Conveyance System" shall mean the System of pumping stations and force mains as defined in the Agreement between DELCORA and MA dated as of December 1, 1973.
- (d) "Eastern Delaware County Service Area" shall mean the area as defined in the DELCORA-MA SERVICE AGREEMENT.
- (e) "MA Treatment Plant" shall mean collectively:
 - (1) The Sewage Treatment Plant constructed by MA under the Agreement with its Member Municipalities dated August 5, 1952.
- (f) "General Administrative Expenses" shall mean the cost to DELCORA for the general operation of its administrative offices, including but not limited to wages or salaries paid to its administrative, supervisory, technical and clerical personnel plus fringe benefits and general overhead and expenses such as rent, office equipment, supplies, services, postage, telephone, printing, services contracted, general legal and engineering services, general insurance, etc.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers and their respective seals to be hereunto affixed.

DELAWARE COUNTY REGIONAL WATER
QUALITY CONTROL AUTHORITY

By: John J O'Malley
Chairman

ATTEST:

Georget. Blessing
Secretary

MUCKINIPATES AUTHORITY

By: William M. Fisher
Chairman

ATTEST:

Dennis M. Madony
Secretary

